



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	HB0478	Title:	Clarify tuition payments for homeless children
Primary Sponsor:	Raser, Holly	Status:	As Amended

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|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
General Fund	\$104,944	\$108,092	\$111,335	\$114,675
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance	<u>(\$104,944)</u>	<u>(\$108,092)</u>	<u>(\$111,335)</u>	<u>(\$114,675)</u>

Description of fiscal impact: HB 478 requires the state to pay tuition for "homeless" pupils placed by the state or courts in shelter care. Homeless pupils placed in shelter care are still considered "homeless" under the federal definition. Under current law, tuition cannot be charged for homeless pupils. HB 478 proposes that the state pay tuition for homeless pupils in shelter care. State tuition is paid by the Office of Public Instruction to school districts using a HB 2 appropriation.

FISCAL ANALYSIS

Assumptions:

1. The effective date of the bill will affect tuition for attendance beginning in school year 2006-07, which will be paid by the state in FY 2008.
2. There are nine shelter care facilities that enroll students in K-12 schools. The maximum number of children each facility is licensed to house and the estimated typical number of children who usually are placed in the home and who are enrolled in public schools from the facility are:

Shelter Care facility	Location	Maximum # of Children this home is licensed to house	# of Children typically in home and enrolled in school
Discovery House	Anaconda	9	2
Great Falls Receiving Home	Great Falls	14	8
Montana Youth Homes	Helena	11	8
Ted Lechner Home	Billings	15	10
Watson Home	Missoula	18	10
Youth Christian Home	Round Up	2	2
Bitterroot Youth Home	Hamilton	7	7
Flathead Youth Shelter	Kalispell	8	8
Shirley Miller Home	Missoula	<u>12</u>	<u>7</u>
	TOTAL	96	62

3. Tuition payments will be made to the school districts where the students enroll.
4. Homeless pupils served by these homes are the only pupils for whom tuition is affected by this bill.
5. Whether or not this bill passes concerning payment of tuition, the pupils will be admitted and served by the local schools.
6. Approximately 10% of all students in Montana schools need special education services. Of the 62 students from the shelter care homes, 6 students (10%) will be students with disabilities and 56 students (90%) will not have disabilities.
7. Regular education tuition is limited to 20% of the per-student entitlement under 20-9-308, MCA. Maximum tuition for school year 2006-2007 is \$891 for elementary age students and \$1141 for high school students. There will be an indeterminable mix of elementary aged and high school aged students enrolled from these homes in the schools during a school year. The average tuition for regular education is \$1016.
8. For regular education students with higher than average education service costs, state-paid tuition is limited to \$2,500 per year per student under 20-5-323(3). However, students in these shelter care situations normally do not fall into this category.
9. State-paid tuition for pupils with disabilities is not limited and will be unique to each student, but is estimated to cost an average of \$7500 per year per pupil.
10. If HB 478 had been effective for attendance in the 2006-07 school year, the state's estimated cost of tuition paid during FY 2008 would have been:

56 pupils X \$1,016 tuition	\$56,896
6 pupils X \$7,500 for special education services	<u>\$45,000</u>
TOTAL	\$101,896

11. The cost of special education services and the per-student entitlement will increase by 3% per year. The total estimated cost is:

Attendance Year	Payment Year	Amount
2007-08	FY 2008	\$101,896
2008-09	FY 2009	\$104,953
2009-10	FY 2010	\$108,102
2009-10	FY 2011	\$111,345

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	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Distribution to Schools	\$101,896	\$104,953	\$108,102	\$111,345
<u>Funding of Expenditures:</u>				
General Fund (01)	\$101,896	\$104,953	\$108,102	\$111,345
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$101,896)	(\$104,953)	(\$108,102)	(\$111,345)

Effect on County or Other Local Revenues or Expenditures:

The elementary and high school districts would receive state tuition payments for shelter care children who are considered homeless.

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Sponsor's Initials

Date

Budget Director's Initials

Date